



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 17, 2000

Gary Mullard
Northern Stone Supply, Inc.
P.O. Box 249
Oakley, Idaho 83346

Re: Permit Fee, Ebony & Ivory #1, S/027/057, Millard County, Utah

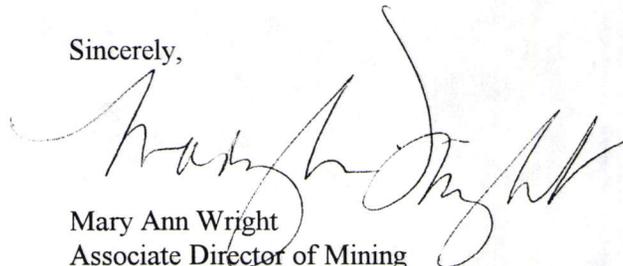
Dear Mr. Mullard:

This letter is in response to your phone call on March 14, 2000 regarding the recent "final" billing notice for payment of the permit fees for your Ebony & Ivory small mining project. In previous correspondence and phone calls between you and Mr. Tom Munson of the Minerals Regulatory staff, you have been advised that because this site is located on BLM managed lands, we cannot close our file for this project until authorized by the BLM to do so. It has been determined, and you have verbally admitted to me and Mr. Munson, that there is a minimal amount of disturbance at this site. Therefore, the permit fee is due and payable until reclamation has been completed and you are released from the BLM. At that point in time, we can also release you from further reclamation obligations and close our file.

Mr. Mullard, you have had a good reputation within the mining community and with our Division. We are aware that you were even nominated for a reclamation award in 1993 by the Idaho Department of Lands for your excellence in operations. Please do not let this annual fee payment harm our working relationship and your good reputation. We look forward to working with you in the future on other mining projects.

We ask that you kindly forward the fee payment for 1998 and 1999 before April 10th. After that date, the matter will no longer be in the Division's hands, but will be turned over to the State Office of Debt Collections.

Sincerely,



Mary Ann Wright
Associate Director of Mining

jb

cc: Larry Garahana, BLM, Fillmore FO
S27-57-feedue